

## STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 22, 2020

*Document Control Center 04/22/20@4.18 PM*COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2019-00182

JEFFERSON NATIONAL LIFE INSURANCE COMPANY,  
DefendantSETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jefferson National Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-604 of the Code of Virginia ("Code") by failing to provide the required notice of information collection and disclosure practices to insureds; § 38.2-1812 A of the Code by paying or sharing commissions with unlicensed or unappointed agents; § 38.2-1822 A of the Code by knowingly permitting a person to act as an agent of an insurer without first obtaining a license; § 38.2-1833 A 1 of the Code by accepting applications from unappointed agents; as well as 14 VAC 5-45-40 F of the Commission's Rules Governing Suitability in Annuity Transactions, 14 VAC 5-45-10 *et seq.*, of the Virginia Administrative Code by failing to establish and maintain a system to supervise recommendations that is reasonably designed to achieve compliance with the statute.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan set forth in Bureau correspondence dated March 12, 2020; has tendered to the Treasurer of Virginia the sum of Twenty-Seven Thousand Six Hundred Dollars (\$27,600); and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

A COPY of this order shall be sent electronically by the Clerk of the Commission to: Cheryl Davis, Senior Compliance Director, Market Conduct Group, Jefferson National Life Insurance Company, at [cheryl.davis@nationwide.com](mailto:cheryl.davis@nationwide.com), One Nationwide Plaza, Columbus, Ohio 43215; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Julie Blauvelt.